

Message Text

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ACTION EUR-12

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E.O. 11652: N/A
TAGS: EEC, EIND, ETRD
SUBJECT: PROPOSED EC COUNCIL RESOLUTION ON STEEL SITUATION

REF: (A) EC BRUSSELS 2755
(B) EC BRUSSELS 2592

1. WE HAVE RECEIVED FROM A PROTECTED SOURCE AN EC STEEL PAPER INCLUDING A DRAFT RESOLUTION WHICH COMMISSIONER DAVIGNON WILL ASK THE COUNCIL TO APPROVE MARCH 24 (REF A). (COMPLETE TEXT BEING POUCHED TO RPE/ALBRECHT, STR, WOLFF).
2. ALTHOUGH THE MAIN THRUST OF COMMISSION PAPER AIMS AT THE RESTRUCTURING OF THE EC INDUSTRY (REF B), THERE ARE IMPORTANT IMPLICATIONS FOR EXTERNAL TRADE. IN THE INTRODUCTORY SECTION OF THE PAPER, THE COMMISSION POINTS OUT THAT WHILE THE COMMUNITY INDUSTRY IS BEING PUT IN ORDER, THE EC MARKET SHOULD BE EXPOSED TO AS LITTLE OUTSIDE PRESSURE AS POSSIBLE. THEREFORE, THE COMMISSION WILL CONTINUE EFFORTS TO OBTAIN VRAS AND TAKE STEPS TO ENSURE THAT IMPORTS DO NOT ENTER THE EC AT ABNORMALLY LOW PRICES.

3. TEXT OF PROPOSED RESOLUTION IS AS FOLLOWS:

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BEGIN QUOTE:

DRAFT EUROPEAN COUNCIL RESOLUTION

THE EUROPEAN COUNCIL HAS CONSIDERED THE SITUATION IN THE STEEL SECTOR, ON THE BASIS OF A COMMUNICATION FROM THE COMMISSION. THE STEEL SECTOR IS EXPERIENCING A CRISIS

UNPRECEDENTED IN THE HISTORY OF THE COAL AND STEEL COMMUNITY. THE HEADS OF STATE AND HEADS OF GOVERNMENT HAVE TAKEN THIS OPPORTUNITY TO REAFFIRM THEIR RESOLVE TO RESTORE TO THE STEEL INDUSTRY THE VIABILITY AND COMPETITIVENESS ESSENTIAL TO THE MAINTENANCE OF A TRULY EUROPEAN INDUSTRIAL POTENTIAL.

THEY HAVE AGREED THAT THIS RESOLVE REQUIRES, IN ACCORDANCE WITH THE TREATY OF PARIS, THE PURSUIT OF A STRUCTURAL REORGANIZATION AND REDEVELOPMENT POLICY WHICH, TO BE EFFECTIVE, MUST BE A COMMUNITY ONE.

THE EUROPEAN COUNCIL HAS NOTED WITH SATISFACTION THAT THE COMMISSION HAS UNDERTAKEN TO SUBMIT IN APRIL PRACTICAL PROPOSALS FOR:

(I) FORMULATING NEW STEEL PRODUCTION TARGETS;

(II) ORGANIZING THE STRUCTURAL REORGANIZATION OF THE STEEL INDUSTRY ON A COMMUNITY BASIS;

(III) ENCOURAGING A REDEVELOPMENT POLICY FOR THE REGIONS AFFECTED BY THE DECLINE IN THIS SECTOR OF INDUSTRY;

(IV) APPLYING ON A BASIS OF COMMUNITY SOLIDARITY, PRACTICAL MEASURES IN THE SOCIAL FIELD TO ASSIST THE WORKERS AFFECTED BY STRUCTURAL REORGANIZATION;

(V) IMPROVING THE ARRANGEMENTS MADE IN THE FIRST CRISIS LIMITED OFFICIAL USE

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PLAN TO REMEDY THE DETERIORATION OF THE MARKET;

(VI) EXAMINING THE PROBLEMS RAISED BY THE STEEL INDUSTRY WITH THE OTHER MAJOR WORLD STEEL PRODUCERS WITH A VIEW TO RESTORING STABILITY AND GROWTH;

(VII) ENSURING THAT IMPORTS INTO THE COMMUNITY ARE IN ACCORDANCE WITH THE TRADE RULES OF GATT.

THE EUROPEAN COUNCIL EXPRESSES THE WISH THAT THE INSTITUTIONS OF THE EUROPEAN COMMUNITIES SHOULD GIVE THEIR URGENT ATTENTION TO THIS QUESTION WITHIN THEIR RESPECTIVE FIELDS OF COMPETENCE, AND WILL RESUME ITS EXAMINATION OF THE QUESTION AT ITS AUTUMN SESSION.
END QUOTE.HINTON

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